GOVERNMENT OF INDIA
COAL
LOK SABHA

UNSTARRED QUESTION NO:2028
ANSWERED ON:27.07.2017
Commercial Coal Mining
Malyadri Shri Sriram

Will the Minister of COAL be pleased to state:

(a) whether the Government proposes to open commercial coal mining to private companies in the country;
(b) if so, the details and objectives thereof; and
(c) the extent to which the power tariff is likely to be reduced as a result thereof?

Answer

MINISTER OF STATE (I/C) FOR COAL, POWER, NEW & RENEWABLE ENERGY AND MINES
(SHRI PIYUSH GOYAL)

(a) to (b): Enabling provisions have been made in the Coal Mines (Special Provisions) Act, 2015 for allocation of coal mines by way of auction and allotment for the sale of coal. In accordance with these provisions, 8 coal mines have been allotted to Public Sector Undertakings for sale of coal. To prepare the modalities for allocation of coal mines through auction for sale of coal by private companies, a discussion paper containing proposed eligibility conditions and proposed methodology was prepared to consult the stake holders. The discussion paper was placed in the public domain to solicit public opinion / comments. An Inter-Ministerial Committee (IMC) of Ministries / Department of Coal, Power, Steel, Industrial Policy & Promotion, Economic Affairs, Expenditure, Legal Affairs, Mines and Micro, Small and Medium Enterprises wasconstituted to examine the draft methodology on auction of coal mines for sale of coal. IMC has held two meetings on 25.05.2017 and 27.06.2017 to finalise the draft methodology.The objective of commercial mining for sale of coal by private companies is to create a market place for coal with multiple producers to drive competition and adopt best practices in mining.
(c): The extent to which power tariff is likely to be affected as a result of opening the commercial coal mining to private companies may depend upon several factors, including the sale price of coal by commercial miners and the quantum of coal procured by power companies from such commercial miners.
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